

Hearing Date: January 29, 2009  
Hearing Time: 10:00 a.m. (prevailing Eastern time)

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
333 West Wacker Drive, Suite 2100  
Chicago, Illinois 60606  
(312) 407-0700  
John Wm. Butler, Jr.  
John K. Lyons  
Albert L. Hogan, III  
Ron E. Meisler

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
Four Times Square  
New York, New York 10036  
(212) 735-3000  
Kayalyn A. Marafioti  
Thomas J. Matz

Attorneys for Delphi Corporation, et al.,  
Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:  
Toll Free: (800) 718-5305  
International: (248) 813-2698

Delphi Legal Information Website:  
<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----	x	
	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

DEBTORS' STATEMENT OF DISPUTED ISSUES WITH RESPECT TO  
PROOFS OF CLAIM NOS. 15230 AND 15231  
(QUALITY SYNTHETIC RUBBER, INC.)

("STATEMENT OF DISPUTED ISSUES – QUALITY SYNTHETIC RUBBER, INC.")

Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, including Delphi Automotive Systems LLC ("DAS LLC") and Delphi Electronics (Holding) LLC ("Delphi Electronics"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), hereby submit this Statement Of Disputed Issues (the "Statement Of Disputed Issues") With Respect To Proofs Of Claim Numbers 15230 And 15231 filed by Quality Synthetic Rubber, Inc. ("Quality Synthetic") and respectfully represent as follows:

Background

1. On October 8 and 14, 2005 (the "Petition Date"), the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as then amended, in the United States Bankruptcy Court for the Southern District of New York.

2. On July 31, 2006, Quality Synthetic filed proof of claim number 15230 ("Proof of Claim No. 15230") against DAS LLC. Proof of Claim No. 15230 asserts an unsecured non-priority claim in the amount of \$826,312.04 stemming from goods sold and/or services provided.

3. On July 31, 2006, Quality Synthetic filed proof of claim number 15231 ("Proof of Claim No. 15231," and together with Proof of Claim No. 15230, the "Proofs of Claim") against Delphi Electronics. Proof of Claim No. 15231 asserts a unsecured non-priority claim in the amount of \$614,058.16 stemming from goods sold and/or services provided.

4. On July 13, 2007, the Debtors objected to the Proofs of Claim pursuant to the Debtors' Nineteenth Omnibus Objection (Substantive) Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 3007 To Certain (A) Insufficiently Documented Claims, (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claim, And (D) Claims Subject To

Modification, Tax Claims Subject to Modification, Modified Claims Asserting Reclamation, And Consensually Modified And Reduced Claims (Docket No. 8617).

5. On August 7, 2007, Quality Synthetic filed its Response Of Quality Synthetic Rubber, Inc. To Debtors' Nineteenth Omnibus Objection (Substantive) To Certain Claims (Docket No. 8917) (the "Response").

Disputed Issues

A. DAS LLC Does Not Owe Quality Synthetic The Amount Asserted In Proof Of Claim No. 15230

6. Quality Synthetic asserts in Proof of Claim No. 15230 that it has an unsecured non-priority claim against DAS LLC in the amount of \$826,312.04 for goods sold and/or services performed ("Claim No. 15230"). DAS LLC has reviewed the information attached to Proof Of Claim No. 15230 and the Response and disputes that it owes the amount asserted in Proof of Claim No. 15230 for the following reasons: (a) certain invoices have been paid, (b) certain invoices are for goods supplied to non-Debtor entities, (c) proofs of delivery were not provided for certain invoices, and (d) certain prices are incorrect and/or overstated.

7. Paid Invoices. Based upon DAS LLC's various accounts payable records, certain invoices reflected in Proof of Claim No. 15230 in the amount of \$58,765.70 have been paid. Therefore, \$58,765.70 should be subtracted from the amount claimed in Proof of Claim No. 15230.

8. Invoices For Non-Debtor Entities. Based upon Delphi's review of Proof of Claim No. 15230, the Claim includes invoice 429190, an invoice for parts shipped to Delphi Turkey, a non-Debtor entity. Therefore, \$200.00 should be subtracted from the amount claimed on Proof of Claim No. 15230.

9. Proofs of Delivery Not Provided. Quality Synthetic claimed \$22,242.90 in amounts owed based on the sale of goods for which it did not provide proofs of deliveries. Furthermore, Delphi's General Terms And Conditions governing its dealings with suppliers require that suppliers "promptly forward the original bill of lading or other shipping receipt with respect to each shipment as Buyer instructs." See General Terms And Conditions, § 2.1. DAS LLC has no record of receiving the goods associated with \$22,242.90 of the amount asserted in Proof of Claim No. 15230. Because Quality Synthetic has not provided these proofs of delivery, the amount of \$22,242.90 asserted with respect to Proof of Claim No. 15230 should not be included in the claim.

10. Proof of Claim Overstates Prices. The prices detailed on certain purchase orders is lower than the price detailed on Quality Synthetic's invoices. The purchase orders reflect the contractual pricing. Therefore, \$2,373.93 should be subtracted from the amount of Proof of Claim No. 15230.

11. After taking into account the above-referenced deductions to Proof of Claim No. 15230, the Debtors reconciled Proof of Claim No. 15230 as illustrated in the following chart:

<u>Claimant's Asserted Amount on Proof of Claim No. 15230</u>		\$826,312.04 unsecured
<u>Modifications</u>	Paid Invoices	(\$58,765.70)
	Invoices For Non-Debtor Entities	(\$200.00)
	Proofs of Delivery Not Provided	(\$22,242.90)
	Proof of Claim Overstates Prices	(\$2,373.93)
<u>Reconciled Amount</u>		\$742,729.51 unsecured

12. The Debtors do not dispute at this time the remaining \$742,729.51 of Proof of Claim No. 15230 and request that Proof of Claim No. 15230 be reduced to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$742,729.51.

B. Delphi Electronics Does Not Owe Quality Synthetic The Amount Asserted In Proof Of Claim Number 15231

13. Quality Synthetic asserts in Proof of Claim No. 15231 that it has an unsecured claim against Delphi Electronics in the amount of \$614,058.16 for goods sold and/or services provided ("Claim No. 15231"). The Debtors have reviewed the information attached to the Proof of Claim No. 15231 and the Response and disputes that it owes the amount asserted in Proof of Claim No. 15231 because certain invoices have been paid.

14. Paid Invoices. Based upon the Debtor's various accounts payable records, certain invoices reflected in Proof of Claim No. 15231 in the amount of \$32,278.40 have been paid. Therefore, \$32,278.40 should be subtracted from the amount claimed in Proof of Claim No. 15231.

15. After taking into account the above-referenced deductions to Proof of Claim No. 15231, the Debtors reconciled Proof of Claim No. 15231 as illustrated in the following chart:

<u>Claimant's Asserted Amount on Proof of Claim No. 15231</u>		\$614,058.16 unsecured
<u>Modifications</u>	Paid Invoices	(\$32,278.40)
<u>Reconciled Amount</u>		\$581,779.76 unsecured

16. The Debtors do not dispute at this time the remaining \$581,779.76 of Proof of Claim No. 15231 and request that Proof of Claim No. 15231 be reduced to a general unsecured non-priority claim against DAS LLC in an amount not to exceed \$581,779.76.

Reservation Of Rights

17. This Statement Of Disputed Issues is submitted by the Debtors pursuant to paragraph 9(d) of the Order Pursuant To 11 U.S.C. § 502(b) And Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007, And 9014 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections To Claims (Docket No. 6089) (the "Claims Objection Procedures Order"). Consistent with the provisions of the Claims Objection Procedures Order, the Debtors' submission of this Statement Of Disputed Issues is without prejudice to (a) the Debtors' right to later identify and assert additional legal and factual bases for disallowance, expungement, reduction, or reclassification of the Claims and (b) the Debtors' right to later identify additional documentation supporting the disallowance, expungement, reduction, or reclassification of the Claims.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) reducing Proof of Claim No. 15230 to the maximum amount of \$742,729.51 as a general unsecured non-priority claim against the estate of DAS LLC, (b) reducing Proof of Claim No. 15231 to the maximum amount of \$581,779.76 as a general unsecured non-priority claim against the estate of DAS LLC, and (c) granting the Debtors such other and further relief as is just.

Dated: New York, New York  
December 4, 2008

SKADDEN, ARPS, SLATE, MEAGHER  
& FLOM LLP

By: /s/ John Wm. Butler, Jr.  
John Wm. Butler, Jr.  
John K. Lyons  
Albert L. Hogan, III  
Ron E. Meisler  
333 West Wacker Drive, Suite 2100  
Chicago, Illinois 60606  
(312) 407-0700

- and -

By: /s/ Kayalyn A. Marafioti  
Kayalyn A. Marafioti  
Thomas J. Matz  
Four Times Square  
New York, New York 10036  
(212) 735-3000

Attorneys for Delphi Corporation, et al.,  
Debtors and Debtors-in-Possession